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DDI #3900-82
10 May 1982

MEMORANDUM FOR: Vice Chairman, NIC

SUBJECT : Warning Briefing Note: Possible "Surprise" Argentine Proposal
for an Unconditional Cease-fire in Place

1. Statements by Foreign Minister Costa Mendez on "Face the Nation" yesterday represent a further step in Argentina's apparent intention to decouple a cease-fire from the intractable issues of a mutual withdrawal of forces, an interim administration of the Falklands and sovereignty. Costa Mendez stated that Argentina no longer is demanding prior recognition of its sovereignty as a precondition for negotiations on a cease-fire, a mutual withdrawal, temporary administration of the islands, or a final settlement. He reiterated of course the basic requirement that Argentina must ultimately have full sovereignty over the islands. The Argentine Defense Minister also told reporters on 9 May that his government is willing to take into account the interests of the Falklanders, and he indicated some flexibility on the timing of what he called "diplomatic sequences." On 6 May, the Argentine Foreign Ministry said a cease-fire must be the first step toward a settlement.

2. There is a strong possibility that the Argentines will introduce a resolution in the UN Security Council in the next few days that calls for an immediate and unconditional cease-fire in place, especially if they judge that major British military initiatives, including an invasion of the islands, are imminent. UN officials claimed yesterday that there is agreement on a critical feature of Secretary General Perez de Cuellar's plan, namely, that a cease-fire would be followed by the withdrawal in stages of Argentine troops from the islands and the British task force from the area. They said the main stumbling block centers on a temporary administration of the islands while Britain and Argentina directly negotiate a final settlement. It seems quite possible, however, that Argentine tactics are to play along with the Secretary General's mediation until it founders on the crunch issues of mutual withdrawal and interim administration. Argentine officials have said they did not accept Perez de Cuellar's proposal for a withdrawal of Argentine troops. When the Argentines believe they can make a plausible case that the British are obstructing an early cease-fire by making it contingent on other unacceptable demands, Buenos Aires may introduce a proposal in the Security Council for a cease-fire in place that would relegate disagreements over mutual withdrawal of forces, interim administration, and sovereignty to the second stage of the "diplomatic sequence," in the Argentine Defense Minister's words.

3. In sum, the Argentines are seeking to confront the British government with a choice either to accept an immediate cease-fire in place or appear to bear the responsibility for another breakdown in negotiations and a continuation of hostilities. Costa Mendez yesterday attempted to portray the Argentine position in the most constructive and conciliatory light: "We want to negotiate and we are ready to negotiate the withdrawal of troops and the role of the navy fleet. We are ready to negotiate the way the islands should be administered during the period and we want to settle the fundamentals for acceptance of Argentine sovereignty." The Foreign Minister of course neglected to repeat the stinger expressed by Argentine officials on 6 May: that no substantive points, including a troop withdrawal, can be negotiated until the British agree to a cease-fire. Foreign

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Secretary Pym has categorically ruled out a cease-fire until Argentina agrees to withdraw its troops.

4. The Argentines almost certainly believe that further British attacks on the Falklands and on Argentine naval units and aircraft will play into their hands and create increasing support in the UN Security Council for a cease-fire in place. The Argentines probably recognize that they will have to offer assurances that a cease-fire will be followed by serious negotiations on a mutual withdrawal of forces, interim administration and sovereignty. They are prepared to gamble, however, that once they have secured a cease-fire in place, they will be able to resupply their garrison on the Falklands and stonewall indefinitely on the other elements in the package. The Argentines, moreover, will calculate that the longer a cease-fire endures, the greater the political price Britain will have to pay if it violates a cease-fire or renounces even a limited cease-fire agreement or Security Council resolution. Argentine political strategy essentially will be one of evasion and delay, relying on the occupation of the islands to confer de facto sovereignty without ever concluding a definitive "final settlement."

5. The British are alert to this Argentine design. Thatcher warned parliament on 6 May that "it may be very likely" that Buenos Aires is using the UN to gain a cease-fire without being forced to withdraw.

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[REDACTED] Thatcher cannot afford to abandon her basic demand under UN Security Council resolution 502 that Argentina must agree to withdraw before a cease-fire can take effect. Any retreat from this irreducible requirement almost certainly would force her to resign.

U.S. Options

6. An Argentine proposal for an unconditional cease-fire in place in the next few days would confront the U.S. with a difficult dilemma. The Administration is committed to the position that "aggression cannot be seen to be rewarded," and the White House presumably would have no choice but to support a British veto of an Argentine resolution for a cease-fire that failed, at a minimum, to include a commitment to a mutual withdrawal of forces. If the Argentines introduce their proposal in the immediate aftermath of further British military initiatives, U.S. support for London's conditions for a cease-fire would stimulate widespread resentment toward Washington throughout Latin America. U.S. support for the British position probably would also generate increasing strains in US and UK relations with the European allies. If the U.S. provides military assistance to the British such as in-flight refueling, the chances of anti-U.S. demonstrations in Latin America would increase substantially. Implicit U.S. endorsement of British military initiatives to enforce the broadened total exclusion zone or to escalate military pressures would deepen the international isolation of both London and Washington.

7. Alternatively, U.S. diplomatic initiatives to contrive a compromise formula for a cease-fire that fell short of fully committing Argentina to withdraw its troops would create a strong backlash in the right wing of the Conservative Party and inspire Tory charges that this constituted only the first step of an American

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sell-out of Britain. Any U.S. attempts to arrange even an interim cease-fire that failed to satisfy Thatcher's minimum requirements would make it much more difficult for the British to maintain their strategy of military pressure and coercive diplomacy. It seems doubtful that Thatcher and her principal collaborators in the cabinet could survive charges by Conservative right-wingers that she had failed to assure firm U.S. support for her policy.

Recommendations:

a. That the DCI be briefed on the possible contingency of an Argentine proposal for an unconditional cease-fire in place in the next few days;

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The NID on 8 May judged that [REDACTED]

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[REDACTED] "suspension of Security Council meetings will take the pressure off the British to declare a cease-fire until their assault force nears the Falklands."

The NID on 10 May said Costa Mendez' "Face the Nation" statements "do not seem to represent a change in the basic Argentine position" and cited the British Foreign Office as expressing doubts that they "represented a significant change." The NID also raised a question whether Costa Mendez' remarks "represented an agreed government position," noting that he had earlier been overridden by the junta.

The NID on 10 May assessed that the British, despite their negative reaction, "probably would agree to enter into cease-fire negotiations if Argentina does not require prior recognition of its sovereignty."

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d. It seems to me that [REDACTED] NID coverage has not adequately alerted consumers to the possibility of a "surprise" Argentine bid for a cease-fire in place that would be aimed at neutralizing Britain's superior naval power, forestalling a British invasion of the islands, and placing Argentina in a strong position to stonewall on the other issues while consolidating its sovereignty claims on the strength of occupation of the islands. If the Argentines are able to attract majority support in the UN Security Council for a cease-fire in place, the British would have to veto such a resolution, and U.S. support for Britain would trigger costly political repercussions in Latin America and probably in much of Western Europe as well.

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Assistant for Warning

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